



Benton Harbor E.M. Determines Financial Emergency Rectified

Recommends Gov. Snyder appoint an advisory board

Benton Harbor, Mich.-Benton Harbor Emergency Manager Tony Saunders has notified Gov. Rick Snyder that the financial emergency in the city has been resolved. Saunders also recommended that the governor appoint a Receivership Transition Advisory Board (RTAB). The appointment of an RTAB, an option under Public Act 436 of 2012 (Local Financial Stability and Choice Act), would ensure a seamless transition to full local control.

“We have made tremendous progress over the past year. The City’s accumulated deficit has been eliminated, expenditures have been reduced substantially, and the City has made 100-percent of its annual pension payments for the first time in a decade,” Saunders said. “I would like to express my gratitude and appreciation to Governor Snyder for the opportunity to serve the citizens of Benton Harbor and the state of Michigan. I would also like to thank city staff for their tremendous effort, dedication and excellence during my tenure. Their leadership has been invaluable and I will forever be grateful for their service.”

Saunders has issued what he expects will be his final order as Emergency Manager. The order would take effect should Gov. Snyder accept Saunders’ recommendation and appoint an RTAB. The order creates appropriate checks and balances for local officials and will help ensure future financial stress is addressed in an effective and timely fashion.

In just over a year as emergency manager, Saunders worked collaboratively with elected officials, stakeholders, and citizens to rectify the city’s financial emergency. Accomplishments include:

- Reduced the general fund deficit by approximately 48-percent without utilizing borrowing mechanisms
- Reduced general fund expenditures by approximately 30-percent
- Implemented city-wide fixed contribution healthcare model reducing annual healthcare expenditures by approximately 74-percent
- Reduced municipal water rates 5-percent and increased water collection rates by 15-percent
- Successfully negotiated labor agreements without having to impose changes
- Successfully transferred the local pension system to the Municipal Employees' Retirement System of Michigan
- Executed management agreements for the city's parks and recreation system and city cemeteries
- Created a Parks and Recreation Conservancy (non-profit) led by community stakeholders, dedicated to improving the quality of life for residents through park maintenance and development
- Reduced crime and increased case closure rates through the use of data driven policing

Mr. Saunders and representatives from the Michigan Department of Treasury will conduct a telephone press conference at 2:30 this afternoon. For call-in information, please contact Terry Stanton or Jeremy Sampson at 517-335-2167.

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